

## Message Text

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PAGE 01 LISBON 08490 091815Z

13

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-01 INR-07 L-03 NSAE-00  
NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OPIC-03 OMB-01  
TRSE-00 AGRE-00 ACDA-07 SAJ-01 IO-13 DHA-02 LAB-04  
SIL-01 EB-07 /097 W

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R 091727Z DEC 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 9472

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L LISBON 8490

E.O. 11652: GDS

TAGS: PINT, EAGR, PO

SUBJ: POLITICAL DEVELOPMENTS: BARRETO ANNOUNCES SECOND  
AGRARIAN REFORM

REF: LISBON 8406

SUMMARY: AGRICULTURE MINISTER BARRETO, IN A DEC 8 MAJOR  
POLICY STATEMENT, OUTLINED THE GOVERNMENT PLAN FOR ENDING  
COMMUNIST-INSPIRED ABUSES OF THE AGRARIAN REFORM PROGRAM.  
PRESIDENT EANES REPORTEDLY REVIEWED THE TEXT. THE NEXT  
MOVE IS UP TO THE COMMUNISTS. END SUMMARY.

1. BARRETO THROWS DOWN THE GAUNTLET: AGRICULTURE MINISTER  
ANTONIO BARRETO, IN A MAJOR POLICY ADDRESS ON PRIME TIME  
TV DEC 8, OUTLINED THE GOVERNMENT PROGRAM FOR ENDING  
COMMUNIST-INSPIRED AGRARIAN REFORM ABUSES. HIGHLIGHTS OF  
BARRETO'S TOUGH TALK INCLUDED:

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PAGE 02 LISBON 08490 091815Z

--COMMUNIST POWER GRAB: WHAT HAD TAKEN PLACE IN THE ALENTEJO

WAS NOT AGRARIAN REFORM, IT WAS COLONIZATION BY THE COMMUNIST PARTY. THE PCP HAD SOUGHT, ALMOST SUCCESSFULLY, TO BECOME MASTERS OF A VAST FEUDAL ESTATE.

--COMPLIANT GOVERNMENTS: THROUGH CREDITS AND SUBSIDIES PAID DIRECTLY TO COMMUNIST-DOMINATED UNIONS, PAST GOVERNMENTS HAD SUBSIDIZED A CONCERTED CAMPAIGN OF PCP-LED VIOLENCE AND INTIMIDATION.

--ACTION PLAN: THE GOVERNMENT HAD A THREE-PHASE PLAN FOR ENDING PCP HEGEMONY:

(A) BY FEBRUARY 15, LAND ILLEGALLY TAKEN WILL BE RETURNED TO ITS FORMER OWNERS. A FEW ADDITIONAL EXPROPRIATIONS ESSENTIAL TO THE EFFICIENT OPERATION OF EXISTING COOPERATIVE ENTERPRISES WILL OCCUR.

(B) BY MARCH 30, THE INITIAL PHASE OF EXPROPRIATIONS UNDER EXISTING LEGISLATION WILL BE COMPLETED. THE AREA RESERVED FOR FORMER OWNERS WILL BE FIXED BEFORE ANY LAND IS TAKEN.

(C) BY JULY 30, A SECOND PHASE OF EXPROPRIATIONS WILL BEGIN. AGAIN RESERVE AREAS WILL BE FIXED BEFORE LAND IS TAKEN.

--GUIDING PRINCIPLES: IN CARRYING OUT AGRARIAN REFORM THE GOVERNMENT WILL BE GUIDED BY THREE PRINCIPLES: THE RIGHT OF FORMER OWNERS TO A RESERVED PORTION OF LAND TO BE EXPROPRIATED WILL BE GUARANTEED; FREEDOM OF CHOICE OF RURAL WORKERS WILL BE PROTECTED; THERE WILL BE NO MORE LAND OCCUPATIONS.

2. FORCED SAVINGS PLAN HOLDS: THE GOVERNMENT ISSUED A CLARIFICATION DECEMBER 7 REAFFIRMING ITS INTENTION TO PAY CHRISTMAS BONUSES OVER 7,000 ESCUDOS (US \$222) IN TREASURY BONDS (REF LISBON 8438). THE GOVERNMENT ADDED A PROVISION BRINGING PRIVATELY-EMPLOYED PERSONS UNDER THE PROGRAM AND WILL NOW SUBMIT IT TO THE LEGISLATIVE ASSEMBLY. THE PSD, CDS, AND PCP HAVE ALL COME OUT AGAINST THE FORCED SAVINGS PROGRAM.

3. COMMENT: BARRETO LAID IT ON THE LINE. THE GOVERNMENT IS INTENT UPON BREAKING THE POWER OF THE PCP-CONTROLLED RURAL UNIONS. BARRETO'S SPEECH WAS REPORTEDLY REVIEWED BY PRESIDENT EANES, WHOM STILL REMEMBERS THE PCP-GENERATED HOSTILITY DURING HIS CAMPAIGN TRIPS TO THE ALENTEJO. NEITHER THE GOVERNMENT NOR THE PRESIDENT IS DISPOSED TO CONFIDENTIAL

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PAGE 03 LISBON 08490 091815Z

BACK DOWN. THE NEXT MOVE IS UP TO THE COMMUNISTS.  
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## Message Attributes

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